

(c) To qualify as allowable, the advance planning costs paid or incurred by the sponsor must be—

- (1) Reasonably necessary and directly related to the planning or engineering included in the proposal as approved by FAA;
- (2) Reasonable in amount; and
- (3) Verified by sufficient evidence.

§ 151.127 Accounting and audit.

The requirements of § 151.55 relating to accounting and audit of project costs are also applicable to advance planning proposal costs. However, the requirement of segregating and grouping costs applies only to § 151.55(a) (5) and (7) classifications.

§ 151.129 Payments.

(a) The United States' share of advance planning costs is paid in two installments unless the advance planning grant agreement provides otherwise. Upon request by sponsor, the first payment may be made in an amount not more than 50 percent of the maximum obligation of the United States stipulated in the advance planning grant agreement upon certification by sponsor that 50 percent or more of the proposed work has been completed. The final payment is made upon the sponsor's request after—

- (1) The conditions of the advance planning grant agreement have been met;
- (2) Evidence of cost of each item has been submitted; and
- (3) Audit of submitted evidence or audit of sponsor's records, if considered desirable by FAA, has been made.

(b) When the advance planning proposal relates to the selection of an airport site, the advance planning grant agreement provides that Federal funds are paid to the sponsor only after the site is selected and the Administrator is satisfied that the site selected for the airport is reasonably consistent with existing plans of public agencies for development of the area in which the site is located, and will contribute to the accomplishment of the purposes of the Federal-aid Airport Program.

§ 151.131 Forms.

The forms used for the purpose of obtaining an advance planning and engineering grant are as follows:

(a) *Advance planning proposal, FAA Form 3731—(1) Part I.* This part of the form contains a request for the grant of Federal funds under the Federal Airport Act for the purpose of aiding in financing a proposal for the development of an airport layout plan or plans, or both, designed to lead to a project application, with spaces provided for inserting information needed for considering the request, including the location of the airport, a description of the plan or plans to be developed, and the estimate of planning and engineering costs.

(2) *Part II.* This part of the form includes the sponsor's representation that it will comply with the provisions of part 15 of the Federal Aviation Regulations (14 CFR part 15), and representations concerning its legal authority to undertake the proposal, the availability of funds for its share of the proposal costs, its intention to initiate construction of a safe, useful and usable airport facility shown on an airport layout plan developed under the proposal, or initiate the construction of the item or items of airport development shown on the plans developed under the proposal and designed to lead to a project application, or both, within three years after the date of acceptance of the offer. It also includes the sponsor's representation as to the method of financing the intended construction, approval of other agencies, defaults, possible disabilities, and a statement concerning acceptance to be executed by the sponsor and certified by its attorney.

(b) *Advance planning agreement, FAA Form 3732—(1) Part I.* This part of the form contains an offer by the United States to pay a specified percentage not to exceed 50% of the allowable proposal costs, as described therein, on specific terms relating to the carrying out of the proposal, allowability of costs, payment of the United States' share and sponsor's agreement to comply with the exclusive rights provision of section 308(a) of the Federal Aviation Act of 1958.